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FILE: B-212379 DATE: August 4, 1983

MATTER OF: North American Precis Syndicate, Inc.

DIGEST:

Determination whether to set aside a procurement under section 8(a) of the Small Business Act, and the propriety of the 8(a) award itself, are matters for the contracting agency and the Small Business Administration, which GAO will not review absent a showing of fraud or bad faith on the part of Government officials.

North American Precis Syndicate, Inc. protests the Department of Agriculture's decision to set aside a contract under the Small Business Administration's (SBA) 8(a) program and the award of that contract to Ector Associates. North American raises various objections pertaining to Ector's ability to perform the contract and to the contract price, and requests that the contract be opened to competitive bids. We dismiss the protest.

Section 8(a) of the Small Business Act, 15 U.S.C. § 637(a) (Supp. IV 1980), authorizes the SBA to enter into contracts with any Government agency with procuring authority and to arrange for performance of such contracts by letting subcontracts to socially and economically disadvantaged small business concerns. The contracting officer is authorized "in his discretion" to let a contract to the SBA upon such terms and conditions as may be agreed upon by the procuring agency and the SBA. We do not review decisions to effect procurements under the 8(a) program, and we do not consider protests of 8(a) awards, absent a showing of fraud or bad faith on the part of Government officials. M G L Construction, Inc., B-210766.2, April 25, 1983, 83-1 CPD 454.

North American has not alleged fraud or bad faith here. Ector's ability to fulfill the contract, and the propriety of the contract price, thus are not matters for determination by this Office. We point out, however, that under the 8(a) program, it is not unusual for contracts to be funded in amounts exceeding prices obtainable through

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unrestricted competition. See Kings Point Manufacturing Company, Inc., 54 Comp. Gen. 913 (1975), 75-1 CPD 264. Whatever additional price the Government pays when it utilizes 8(a) contracting represents the cost of furthering the socio-economic goal of the 8(a) program in helping qualified firms to become self-sufficient. See Vector Engineering, Inc., 59 Comp. Gen. 20 (1979), 79-2 CPD 247.

The protest is dismissed.

Harry R. Van Cleve Acting General Counsel